
FRANKLIN PARISH SCHOOL BOARD**WINNSBORO, LOUISIANA****ANNUAL FINANCIAL REPORT****YEAR ENDED JUNE 30, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 08 2014

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FRANKLIN PARISH SCHOOL BOARD

WINNSBORO, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

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FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

The Members of the
Franklin Parish School Board
Winnsboro, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish School Board (School Board) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for other post-employment benefit plans and budgetary comparison information on pages 3 through 10 and pages 41 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual non-major fund financial statements, and the schedule of board members' compensation, on pages 47 through 51 and page 52, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 57 through 58 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the schedule of board members' compensation, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over compliance and financial reporting.

Postlethwaite + Nethermille

Baton Rouge, Louisiana
December 18, 2013

Franklin Parish School Board

Winnsboro, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

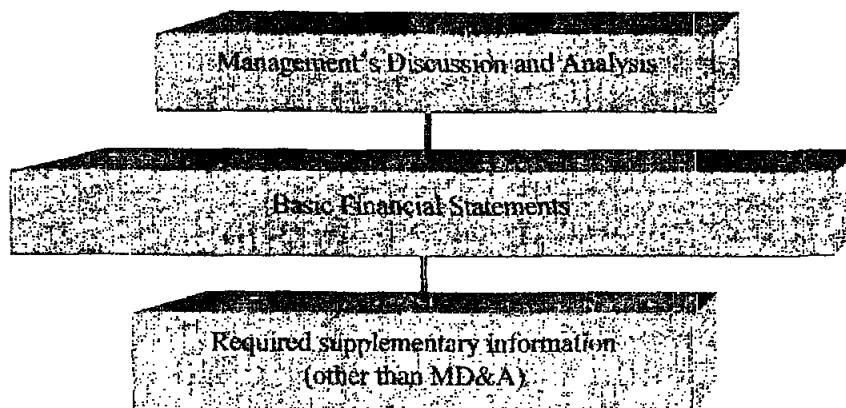
The Management's Discussion and Analysis of the Franklin Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of Franklin Parish School Board's financial activities as of and for the year ended June 30, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- ★ The Franklin Parish School Board's assets exceeded its liabilities at the close of fiscal year 2013 by \$5,385,683.
- ★ Revenues exceeded expenses by \$1,982,848 for the 2013 fiscal year.
- ★ Operating grants and contributions revenue (derived from such federal programs as Title I, Headstart and School Food Service) decreased approximately \$620,000 because of reductions to federal grant programs, many of which were funded from previous economic stimulus funding.
- ★ The Debt Service Fund ended the fiscal year with a fund balance of \$2,851,213 that is available for future debt service payments.
- ★ The General Fund ended the fiscal year with a fund balance of \$4,750,253; approximately 20% of annual expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis— for State and Local Governments.



FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to private sector business.

The *statement of net position* presents information on all of the School Board's assets, liabilities, deferred outflows and deferred inflows, with the difference among them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. (e.g., uncollected taxes and earned but unused sick leave).

Both of the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains dozens of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Title I, and Debt Service all of which are considered major funds. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds. Individual fund data for each of these non-major

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

funds is provided in the form of combining statements elsewhere in this report.

The School Board prepares annual budgets for the General Fund and Special Revenue Funds in accordance with state laws. In accordance with accounting standards, a budget to actual comparison is presented for the General Fund and Title I Fund.

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The School Board has two fiduciary funds. The School Activity Fund contains monies belonging to the schools, their students, and clubs and other activities. The Sales Tax Fund contains monies collected on behalf of other governmental jurisdictions.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Net Position
as of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 7,184,431	\$ 6,160,675
Investments	1,120,171	1,120,171
Receivables	1,777,522	1,581,811
Deferred issuance costs on debt, net of amort.	-	251,694
Inventory	44,091	54,069
Prepaid expenses	84,012	-
Capital assets	17,185,140	17,714,414
Total assets	<u>27,395,367</u>	<u>26,882,834</u>
Deferred Outflows	<u>-</u>	<u>-</u>
Liabilities		
Accounts, salaries and other payables	2,031,423	2,004,512
Accrued interest payable	25,648	33,259
Deferred revenues	11,239	139,094
Net post employment benefit obligation (OPEB)	11,792,148	11,374,210
Bonds payable and other long-term liabilities	8,149,226	9,684,841
Total liabilities	<u>22,009,684</u>	<u>23,235,916</u>
Deferred Inflows	<u>-</u>	<u>-</u>
Net Position		
Net investment in capital assets	9,035,914	8,828,690
Restricted	3,928,012	3,407,050
Unrestricted	(7,578,243)	(8,588,822)
Total net position	<u>\$ 5,385,683</u>	<u>\$ 3,646,918</u>

- Cash and investments have increased approximately 18% from prior year. The increase can be attributed to timing as most operating grants are based on reimbursements.
- Capital assets, which are reported net of accumulated depreciation, account for 63% of the total assets of the School Board. These assets decreased by \$529,974 from the prior year. This decrease is attributable primarily to depreciation during 2013.
- Receivables increased by \$195,711 as a result of differences in the timing in collection of federal grants.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

FINANCIAL ANALYSIS OF THE ENTITY (continued)

- Net post employment benefits obligation liability (OPEB) increased by \$417,938 to reflect the current year cost for retiree benefits other than pensions that have not been funded.
- Debt issuance costs have been removed from the Statement of Net Position because of revised accounting standards regarding treatment of such costs.
- Unrestricted net position at year end show a deficit of \$7,578,243 primarily due to the recordation of the OPEB liability described above.

Statements of Revenues and Expenses
for the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues		
Program revenues		
Charges for services	\$ 139,678	\$ 155,452
Operating grants	6,654,087	7,213,317
General revenues		
Property taxes	2,044,825	1,701,295
Sales taxes	5,145,343	4,813,265
Earnings on Investments	41,098	40,425
Minimum Foundation Program	18,896,659	18,240,546
Other	354,274	727,723
	<u>33,275,964</u>	<u>32,892,023</u>
Expenses		
Regular education	9,916,105	10,605,942
Special and other education	7,102,029	7,763,736
Pupil support	1,473,964	1,510,301
Instructional staff support	2,359,781	2,922,836
General administrative	563,599	770,701
School administrative	1,663,807	1,882,081
Business and central services	619,643	667,813
Plant operation and maintenance	2,742,201	2,865,305
Transportation	2,718,520	2,892,032
Food service	2,019,008	2,274,726
Interest expense	114,459	185,747
	<u>31,293,116</u>	<u>34,341,220</u>
Excess of revenues over (under) expenses	<u>\$ 1,982,848</u>	<u>\$ (1,449,197)</u>

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

FINANCIAL ANALYSIS OF THE ENTITY (continued)

Revenues

- Minimum Foundation Program revenue, which accounts for approximately 57% of total revenues, remained relatively consistent with the prior year with an increase of approximately \$650,000 or 4%.
- Local tax revenues consisting of sales and property taxes increased approximately \$675,000 or 10% because of re-assessed values and increased economic activity within the parish.
- Operating grant revenues decreased by approximately \$620,000 primarily as a result of the falling off of ARRA funding in fiscal year 2013.

Expenses

- Instructional expenses decreased primarily as a result of less funding from Federal grants that funded instructional costs and an overall decrease in the number of instructional staff.
- Expenses decreased across all functional expense areas because of changes in key actual assumptions that reduced the accrued cost of post retirement benefits by approximately \$2,500,000.

FUND ANALYSIS

- The General Fund operated at a surplus of \$806,140, and ended the fiscal year with a fund balance of \$4,750,253. The General Fund was budgeted to break-even, but fared favorably in both revenue and expenses because of conservative projections and planning.
- The Debt Service Fund has accumulated \$2,851,213 for the payment of principal and interest on outstanding bonds.
- Most other non-major governmental funds account for expenditure driven grants for which the school system receives reimbursements for allowable costs. Accordingly, these funds report relatively minimal, if any, operating surplus or fund balance.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the Franklin Parish School Board had \$17,185,140 invested in a broad range of capital assets, including land, building, and equipment.

**Capital Assets at Year-end
(Net of Depreciation)**

	<u>2013</u>	<u>2012</u>
Land	\$ 54,850	\$ 54,850
Buildings	16,616,006	17,021,662
Machinery and equipment	<u>514,284</u>	<u>637,902</u>
Totals	<u>\$ 17,185,140</u>	<u>\$ 17,714,414</u>

There were no major additions during 2013.

Long-term debt

The School Board's long-term debt consists of sales tax revenue bonds, certificates of indebtedness and Qualified School Construction Bonds totaling approximately \$7.5 million, a liability for compensated absences of \$0.67 million, and an obligation for future health benefits of \$11.79 million. The bonds and certificates of indebtedness were issued in 2007 and 2009 to fund major school improvements. The obligation for future health benefits will continue to grow unless plan changes are enacted.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Amendments were adopted during the year ended June 30, 2013 for the General and Title I Funds. Title I's budget was amended during the year to reflect changes in the level of grant funding awarded, while the General Fund's budget was amended to more accurately reflect operations.

FRANKLIN PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The School Board is continuing to stabilize the financial condition of the system despite many challenges that existed in previous years. The general fund budget has accumulated a fund balance over the years; taxes have been passed by the parish to renovate school buildings.

As in recent years, the 2013-2014 budgets meet the challenges of increases in Teacher's Retirement and School Employees Retirement System rates along with a no growth formula with the Minimum Foundation Program from the State. Health insurance costs will also increase for the school system. Local sales tax and property tax revenue are expected to remain constant.

The School Board has adopted a 2013-2014 General Fund budget that results in break-even operations for the year. Close attention will be paid to the State's direction in the upcoming months to insure that the School Board makes the best decisions possible to keep the system operating to the fullest.

CONTACTING THE FRANKLIN PARISH SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Rebecca Boquet, Business Manager, Franklin Parish School Board, 7293 Prairie Road, Winnsboro, LA 71295, 318-435-9046.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2013

ASSETS AND DEFERRED OUTFLOWS

ASSETS

Cash and cash equivalents	\$ 7,184,431
Receivables	
Accounts	228,479
Sales and use taxes	524,642
Investments in certificates of deposit	1,120,171
Due from other governments	1,024,401
Inventory	44,091
Prepaid expenses	84,012
Capital assets	
Land	54,850
Buildings and equipment, net of accumulated depreciation	17,130,290
TOTAL ASSETS	27,395,367

DEFERRED OUTFLOWS OF RESOURCES

TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 27,395,367
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LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

LIABILITIES

Accounts, salaries and other payables	\$ 2,031,423
Accrued interest payable	25,648
Unearned revenues	11,239
Long-term liabilities	
Due within one year	1,448,857
Due in more than one year	6,700,369
Net post employment benefit obligation	11,792,148
TOTAL LIABILITIES	22,009,684

DEFERRED INFLOWS OF RESOURCES

TOTAL LIABILITIES & DEFERRED INFLOWS	22,009,684
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NET POSITION

Invested in capital assets, net of related debt	9,035,914
Restricted for:	
Debt service	2,851,213
Sales tax dedicated to salaries	410,700
Workman's compensation loss reserve	100,000
Federal and State Grant Programs	566,099
Unrestricted	(7,578,243)
TOTAL NET POSITION	\$ 5,385,683

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

		Program Revenues		Net (Expense)
				Revenue and
				Changes in Net
				Assets
	Expenses	Charges for	Operating	Governmental
		Services	Grants and	Unit
			Contributions	
<u>Functions/Programs</u>				
Instruction:				
Regular education programs	\$ 9,916,105	\$ -	\$ 224,607	\$ (9,691,498)
Special education programs	2,528,496	-	179,991	(2,348,505)
Other education programs	4,573,533	-	2,830,763	(1,742,770)
Support Services:				
Pupil support services	1,473,964	-	319,219	(1,154,745)
Instructional staff services	2,359,781	-	1,108,504	(1,251,277)
General administration services	563,599	-	4,716	(558,883)
School administration services	1,663,807	-	-	(1,663,807)
Business and central services	619,643	-	52,497	(567,146)
Plant operation and maintenance	2,742,201	-	46,254	(2,695,947)
Transportation	2,718,520	-	90,613	(2,627,907)
Food service	2,019,008	139,678	1,796,923	(82,407)
Interest Expense	114,459	-	-	(114,459)
Total Governmental Activities	\$ 31,293,116	\$ 139,678	\$ 6,654,087	(24,499,351)
General Revenues				
Taxes:				
Ad Valorem taxes				2,044,825
Sales and use taxes				5,145,343
Grants and contributions not restricted:				
Minimum Foundation Program				18,896,659
Interest and investment earnings				41,098
Other				354,274
				<u>26,482,199</u>
Total general revenues				<u>26,482,199</u>
Change in Net Position				<u>1,982,848</u>
Net Position (restated) - June 30, 2012				<u>3,402,835</u>
Net Position - June 30, 2013				<u><u>\$ 5,385,683</u></u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013

	General	Title I	Debt Service	Other Non-major Governmental	Total
<u>ASSETS</u>					
Cash and cash equivalents	\$ 4,080,813	\$ -	\$ 2,739,254	\$ 364,364	\$ 7,184,431
Receivables:					
Accounts	2,132	-	-	226,347	228,479
Sales tax	404,056	-	120,586	-	524,642
Investments in certificates of deposit	1,120,171	-	-	-	1,120,171
Prepaid expenses	84,012	-	-	-	84,012
Due from other funds	769,031	-	-	-	769,031
Due from other governments	-	676,342	-	348,059	1,024,401
Inventory	-	-	-	44,091	44,091
TOTAL ASSETS	\$ 6,460,215	\$ 676,342	\$ 2,859,840	\$ 982,861	\$ 10,979,258
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 105,619	\$ 827	\$ 8,627	\$ 3,602	\$ 118,675
Salaries and benefits payable	1,594,715	149,497	-	168,536	1,912,748
Due to other funds	9,628	526,018	-	233,385	769,031
Deferred revenues	-	-	-	11,239	11,239
TOTAL LIABILITIES	1,709,962	676,342	8,627	416,762	2,811,693
Fund balances:					
Nonspendable	-	-	-	44,091	44,091
Spendable:					
Restricted	510,700	-	2,851,213	522,008	3,883,921
Committed	1,000,000	-	-	-	1,000,000
Unassigned	3,239,553	-	-	-	3,239,553
TOTAL FUND BALANCES	4,750,253	-	2,851,213	566,099	8,167,565
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,460,215	\$ 676,342	\$ 2,859,840	\$ 982,861	\$ 10,979,258

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total Fund Balances at June 30, 2013- Governmental Funds		\$ 8,167,565
Cost of capital assets at June 30, 2013	\$ 28,060,710	
Less: Accumulated Depreciation as of June 30, 2013		
Buildings	(9,311,828)	
Movable property	<u>(1,563,742)</u>	17,185,140
Accrued interest payable on long-term debt		(25,648)
Long-term liabilities at June 30, 2013		
Compensated absences payable	(668,971)	
Notes and bonds payable	<u>(7,480,255)</u>	(8,149,226)
Net post-employment benefits obligation recorded in accordance with GASB 45		<u>(11,792,148)</u>
Total net position at June 30, 2013 - Governmental Activities		<u>\$ 5,385,683</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	General	Title I	Debt Service	Other Non-major Governmental	Total
<u>REVENUES</u>					
Local sources:					
Ad valorem taxes	\$ 989,511	\$ -	\$ 1,055,314	\$ -	\$ 2,044,825
Sales and use taxes	3,859,441	-	1,285,902	-	5,145,343
Earnings on investments	30,643	-	9,784	671	41,098
Food services	-	-	-	139,678	139,678
Other	293,380	-	-	60,894	354,274
State sources:					
Minimum Foundation Program	18,866,335	-	-	30,324	18,896,659
Restricted grants-in-aid	143,931	-	-	87,881	231,812
Federal grants	46,424	2,329,904	-	4,045,947	6,422,275
TOTAL REVENUES	24,229,665	2,329,904	2,351,000	4,365,395	33,275,964
<u>EXPENDITURES</u>					
Current:					
Instruction:					
Regular education programs	9,559,120	-	-	227,070	9,786,190
Special education programs	2,313,402	-	-	181,965	2,495,367
Other education programs	1,989,252	1,778,938	15,796	694,985	4,478,971
Support:					
Pupil support services	1,131,948	-	-	322,719	1,454,667
Instructional staff services	1,233,411	340,023	12,156	743,271	2,328,861
General administration services	534,782	-	16,664	4,768	556,214
School administration services	1,642,008	-	-	-	1,642,008
Business and central services	504,865	-	-	53,073	557,938
Plant operation and maintenance	1,984,636	-	86,043	46,761	2,117,440
Transportation	2,591,658	3,332	-	87,908	2,682,898
Food services	170,455	-	-	1,816,625	1,987,080
Central services	53,586	-	-	-	53,586
Appropriations:					
Charter Schools	35,245	-	-	-	35,245
Debt Service					
Principal	-	-	1,405,355	-	1,405,355
Interest	-	-	114,573	-	114,573
Facility acquisition and construction	-	-	185,126	-	185,126
TOTAL EXPENDITURES	23,744,368	2,122,293	1,835,713	4,179,145	31,881,519
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	485,297	207,611	515,287	186,250	1,394,445

(continued)

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	General	Title I	Debt Service	Other Non-major Governmental	Total
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	320,843	-	-	-	320,843
Transfers out	-	(207,611)	-	(113,232)	(320,843)
TOTAL OTHER FINANCING SOURCES (USES)	320,843	(207,611)	-	(113,232)	-
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>					
	806,140	-	515,287	73,018	1,394,445
Fund balances, June 30, 2012	3,944,113	-	2,335,926	493,081	6,773,120
FUND BALANCES, JUNE 30, 2013	<u>\$ 4,750,253</u>	<u>\$ -</u>	<u>\$ 2,851,213</u>	<u>\$ 566,099</u>	<u>\$ 8,167,565</u> (concluded)

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2013

Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses - Total Governmental Funds		\$ 1,394,445
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 220,786	
Loss on disposal of assets for the year ended June 30, 2013	(38,752)	
Depreciation expense for year ended June 30, 2013	<u>(711,308)</u>	(529,274)
Long Term Debt:		
Principal portion of debt service	\$ 1,405,355	
Change in compensated absences payable	130,146	
Change in accrued interest payable	<u>114</u>	1,535,615
Net post employment benefits expense recorded recorded in accordance with GASB 45		<u>(417,938)</u>
Change in Net Position - Governmental Activities		<u>\$ 1,982,848</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 576,963</u>
<u>LIABILITIES</u>	
Amounts held for school activities	<u>\$ 325,175</u>
Due to others	<u>251,788</u>
TOTAL LIABILITIES	<u>\$ 576,963</u>

The accompanying notes are an integral part of this statement.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Franklin Parish School Board (School Board) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepting standards-setting body for establishing governmental accounting and financial reporting principles. The School Board applies all GASB pronouncements, technical bulletins, and interpretations to all levels of financial reporting.

A. REPORTING ENTITY

The Franklin Parish School Board was created by Louisiana Revised Statute LSA-R S 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from seven districts for terms of four years.

The School Board operates seven schools within the parish with a total enrollment of approximately 3,200 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The basic criterion established by the Governmental Accounting Standards Board for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary government unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity if there is a financial benefit/burden relationship. The financial statements present the Franklin Parish School Board which is considered to be a primary government. Based on the aforementioned criteria, there are no component units included in the School Board's reporting entity.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements present all of the School Board's non-fiduciary activities and are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Sales taxes are recognized when the underlying sales transactions occur, and property taxes are recognized when levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Government-Wide Financial Statements (GWFS) (continued)

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. This statement demonstrates the degree to which direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the school board's general revenues. Charges for services are primarily derived from cafeteria food sales. Operating grants and contributions consist of the many educational and food service grants received from the federal and state government.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

Fund Financial Statements (FFS)

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Fund Type

Governmental Funds are used to account for the School Board's general government activities, including the collection and disbursement of restricted, committed, or assigned monies, the acquisition or construction of fixed assets, and the servicing of long-term debt. The School Board reports the following fund categories as governmental funds types in accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed as defined by GASB54, to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal and state grant and entitlement programs established for various educational objectives.

Debt Service Fund - Debt Service Funds are established to meet requirements of bond ordinances, and are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Governmental Fund Type (continued)

Capital Projects Fund – Capital Projects Funds are established to account for capital improvements, including construction of new facilities and renovations.

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government generally considers property tax revenues to be available if collected within 60 days after year-end and grant revenues to be available if collected within six months after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Under Governmental Accounting Standards Board Statement No. 34, the reporting focus is on major funds. Major funds are reported separately within the basic financial statements while non-major funds are reported in the aggregate.

The Franklin Parish School Board reports the following funds as major:

- General Fund – primary fund used to account for the operations of the School System.
- Title One Fund – accounts for the proceeds of the Title One federal grant which is restricted to supplementing educational resources for disadvantaged and underperforming students.
- Debt Service Fund – used to accounts for the proceeds of sales and ad valorem taxes that are restricted to repayment of long-term debt.

Revenues

Ad valorem taxes are recognized in the period for which they are levied and the resources are available.

Sales and use taxes are recognized when the underlying exchange transaction occurs and the resources are available.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION AND ACCOUNTING (continued)

Governmental Fund Type (continued)

Revenues (continued)

Intergovernmental revenues (which include the state Minimum Foundation Program revenue, state revenue sharing, and federal and state grants) are recorded as grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as earned. Salaries for nine-month employees are accrued at June 30.

Other expenditures are recorded as the service or goods have been delivered by the vendor.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid, capital lease transactions, sale of fixed assets, debt extinguishments, and long-term debt proceeds are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Fund Type

Agency Funds (Fiduciary Fund Type) are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in the agency capacity. The agency fund consists of the school activities agency fund which accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are accounted for on the accrual basis of accounting.

C. CASH AND INVESTMENTS

Cash and investments include amounts in demand deposits and interest-bearing demand deposits. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

D. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

E. **ELIMINATION AND RECLASSIFICATIONS**

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

F. **INVENTORY**

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when consumed; however, all inventory items are recorded as expenditures when purchased. All purchased inventory items are valued at cost using first-in, first-out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

G. **CAPITAL ASSETS**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a \$5,000 threshold level for capitalizing assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 10 years for vehicles and equipment and 20 to 40 years for buildings and improvements.

H. **COMPENSATED ABSENCES**

All 12-month employees earn up to ten days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated and up to 25 days can be carried forward. Upon separation, all unused vacation is paid to the employee.

All School Board employees earn a certain amount of sick leave each year, depending upon the length of service and employment status. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave can be used in the retirement computation as earned service.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. COMPENSATED ABSENCES (continued)

The School Board's recognition and measurement criteria for compensated absences follows:

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach.

I. RESTRICTED NET POSITION

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

J. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below in accordance with Governmental Accounting Standards Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

Nonspendable - represent permanently nonspendable balances that are not expected to be converted to cash.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

Spendable

Restricted - represent balances where constraints have been established by parties outside the School Board or by enabling legislation.

Committed - represent balances where constraints have been established by formal action of the School Board. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Assigned - represent balances where informal constraints have been established by the School Board or committee or delegate thereof, but are not restricted nor committed.

Unassigned - represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

K. INTERFUND ACTIVITY

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. SALES AND USE TAXES

The voters of Franklin Parish authorized the School Board to levy and collect three separate sales and use taxes:

- 1% tax was authorized on April 29, 1968 and does not expire.
- ½% tax was authorized April 29, 2006 and expires on June 30, 2020.
- ½% tax was authorized May 5, 2007 and expires on December 31, 2017.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. SALES AND USE TAXES (continued)

Revenues generated by the taxes must be used exclusively to supplement other revenues available to the School Board for the following purposes:

- 1% Sales and Use Tax – 80% of the tax is to be used for the payment of salaries of classroom teachers in the public elementary and secondary schools of Franklin Parish. The remaining 20% of the net proceeds are to be used for payment of salaries of other personnel employed by the School Board and for improvement of the operation of the public elementary and secondary schools of Franklin Parish.
- ½% Sales and Use Tax – a minimum of 15% of the net proceeds of the tax are to be used for the purpose of purchasing and acquiring classroom teaching supplies and equipment. The remaining taxes are to be used for the purpose of constructing, acquiring, and improving school related facilities and equipment, and for the payment of maintenance and operating expenses of the public school system.
- ½% Sales and Use Tax – dedicated to constructing, renovating and improving schools and related facilities.

M. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. DEFERRED OUTFLOWS AND DEFERRED INFLOWS

The School Board has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective fiscal year 2013. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

O. NET POSITION

As mentioned in the above paragraph, the School Board has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

O. **NET POSITION** (continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

P. **ADOPTION OF NEW ACCOUNTING STANDARDS**

In addition to GASB Statement No. 63, the School Board has also implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective fiscal year 2013. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources, required by GASB Statement No. 63, as applied to the governmental fund statements. In addition to identifying which items should be reported in these new categories in proprietary fund, fiduciary fund, government-wide statements of net position and governmental fund balance sheets, GASB Statement No. 65 also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues, expenses, or expenditures when incurred and not reported in statements of net position/balance sheets.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Excess of Expenditures Over Appropriations in Individual Funds. The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2013:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Title I	\$ 2,095,041	\$ 2,122,293	\$ 27,252

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. **AD VALOREM TAXES**

The School Board levies taxes on real and business personal property located within Franklin Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Franklin Parish Tax Assessor and approved by the Louisiana Tax Commission.

The Franklin Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly. The progression of the property tax collection process follows the calendar below:

	<u>Property Tax Calendar</u>
Millage rates adopted	September, 2012
Levy date	September, 2012
Tax bills mailed	November, 2012
Due date	December 31, 2012
Lien date	February, 2013
Collection date	May, 2013

Total assessed value was approximately \$102,754,000 in calendar year 2012. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was approximately \$8,346,000 of the assessed value in calendar year 2012, leaving a taxable value of approximately \$74,408,000.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the sales tax fund on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
<u>Parish-wide taxes:</u>			
Constitutional School Tax	4.60	4.60	N/A
Aid-To-Education	4.52	4.52	2018
Renovate, Improve, and Operate	15.64	15.64	2016

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEPOSITS AND INVESTMENTS

Deposits and investments include demand deposits and certificates of deposit at local financial institutions, classified in the financial statements as cash and cash equivalents and investments, respectively. The carrying amount of the School Board's deposits with the financial institutions (including certificates of deposit) was \$8,881,565. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the School Board's deposits may not be returned. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The School Board's bank balances of these deposits totaling \$11,901,359 were fully collateralized or FDIC insured and therefore were not exposed to custodial credit risk as of June 30, 2013.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and political subdivisions.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2013 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 54,850	\$ -	\$ -	\$ 54,850
Total capital assets not being depreciated	<u>54,850</u>	<u>-</u>	<u>-</u>	<u>54,850</u>
Capital assets being depreciated:				
Building and improvements	25,768,432	203,383	(43,981)	25,927,834
Machinery and equipment	2,060,623	17,403	-	2,078,026
Total assets being depreciated	<u>27,829,055</u>	<u>220,786</u>	<u>(43,981)</u>	<u>28,005,860</u>
Total capital assets at cost	<u>27,883,905</u>	<u>220,786</u>	<u>(43,981)</u>	<u>28,060,710</u>
Less accumulated depreciation for:				
Building and improvements	8,746,770	570,287	(5,229)	9,311,828
Machinery and equipment	1,422,721	141,021	-	1,563,742
Total accumulated depreciation	<u>10,169,491</u>	<u>711,308</u>	<u>(5,229)</u>	<u>10,875,570</u>
Total capital assets being depreciated (net)	<u>17,659,564</u>	<u>(490,522)</u>	<u>(38,752)</u>	<u>17,130,290</u>
Total capital assets (net)	<u>\$ 17,714,414</u>	<u>\$ (490,522)</u>	<u>\$ (38,752)</u>	<u>\$ 17,185,140</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **CAPITAL ASSETS** (continued)

Depreciation expense of \$711,308 for the year ended June 30, 2013 was charged to the following governmental functions:

Regular Education	\$ 37,011
Special Education	9,438
Other Educational Programs	16,899
Pupil Support Services	5,497
Instructional Staff Services	8,809
General Administrative Services	2,104
School Administrative Services	6,210
Business and Central Services	2,110
Plant Operation and Maintenance	599,116
Transportation	10,149
Food Service	13,062
Central Services	203
Building Improvements Services	700
	<u>\$ 711,308</u>

6. **RETIREMENT SYSTEMS**

Substantially all employees of the School Board are members of two statewide retirement systems which are multiple-employer, cost-sharing public employee retirement systems. In general, professional employees such as teachers, principals, and lunchroom workers are members of the Teachers' Retirement System of Louisiana (TRSL); other employees, such as custodial personnel and bus operators, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are required to participate in the systems, with employee benefits vesting after 10 years of service.

Under the TRSL Regular Plan, there are two retirement formulas: the 2% formula and the 2.5% formula. Participants may retire under the 2% formula at age 60 with at least 10 years of service credit or at any age with 20 years of service credit. Under the 2.5% formula, participants may retire at age 65 with 20 years of service credit; at age 55 with 25 years of service credit; or at any age with 30 years of service credit. The retirement benefit formula is based on the average salary of the 36 highest consecutive months times the applicable retirement percentage formula.

Under the TRSL Plan A, normal retirement is generally at any age with 30 or more years credited service, and at the age of 55 with at least 25 years of credited service and at age 60 with at least 10 years of credited service. The retirement benefit formula is generally 3% times years of credited service the average salary of the 36 highest successive months.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. RETIREMENT SYSTEMS (continued)

Funding Policy: As provided by statute, the School Board contributes to the TRSL based upon a percentage of covered payroll. State statutes also require covered employees to contribute a percentage of their salaries to the system. The contribution rates in effect for the year ended June 30, 2013 were as follows:

	<u>School Board</u>	<u>Employees</u>
K-12 Regular Plan	24.5%	8.00%
Higher Ed Regular Plan	24.4%	8.00%
Plan A	30.0%	9.10%
Plan B	26.6%	5.00%

As further provided by the statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the system's prior fiscal year. The School Board's contributions to the TRSL plans for the years ended June 30, 2013, 2012, and 2011 were \$3,340,780, \$3,172,553, and \$2,938,00, respectively, equal to the statutorily required contributions in each year.

The TRSL issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Teachers' Retirement System, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123 or by calling (225) 925-6446.

Employees participating in the LSERS are eligible for normal retirement after 30 years of service at any age, 25 years of service at age 55, or 10 years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Funding Policy: As provided by statute, the School Board contributes to the LSERS based upon a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2013 were 30.8% and 7.5% (8.0% for hires after June 30, 2010), for the School Board and the employees, respectively. State statutes also require covered employees to contribute a percentage of their salaries to the system. As further provided by the statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the system's prior fiscal year. The School Board's contributions to the LSERS plans for the years ended June 30, 2013, 2012, and 2011 were \$399,684, \$374,312, and \$328,373, respectively, equal to the statutorily required contributions in each year.

The LSERS issues an annual, publicly-available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained by writing the Louisiana School Employees' Retirement System, P. O. Box 445616, Capital Station, Baton Rouge, Louisiana 70804 or by calling (225) 925-6484.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFITS

The School Board follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45) in accounting for its health insurance benefits provided to retirees.

Plan Description – The Franklin Parish School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region.

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. The employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the cost of the retiree life insurance. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced by 25% at age 65 and by an additional 25% at age 70 according to the OGB plan provisions.

Contribution Rates – Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy – Until 2008, the Franklin Parish School Board recognized the cost of providing post-employment medical and life insurance benefits (the Franklin Parish School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due, however, the expense of the benefits earned is recognized over the period of employment. The Franklin Parish School Board funds its retiree health and life insurance benefits on a pay-as-you-go basis. The amount funded for these benefits totaled \$2,037,839 and \$2,510,409, for 2013 and 2012 respectively.

Effective July 1, 2008, the Franklin Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual Required Contribution – The Franklin Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2013</u>	<u>2012</u>
Normal cost	\$ 512,751	\$ 2,160,689
30-year UAL amortization amount	2,145,830	3,396,553
Annual required contribution (ARC)	<u>\$ 2,658,581</u>	<u>\$ 5,557,242</u>

Net Post-employment Benefit Obligation (Asset) – The table below shows the Franklin Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2013</u>	<u>2012</u>
Beginning Net OPEB Obligation	\$ 11,374,210	\$ 8,478,550
Annual required contribution	2,658,581	5,557,242
Interest on Net OPEB Obligation	454,968	339,142
ARC Adjustment	<u>(657,772)</u>	<u>(490,315)</u>
OPEB Cost	2,455,778	5,406,069
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(2,037,838)</u>	<u>(2,510,409)</u>
Change in Net OPEB Obligation	417,940	2,895,660
Ending Net OPEB Obligation	<u>\$ 11,792,148</u>	<u>\$ 11,374,210</u>

The following table shows the Franklin Parish School Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability for last year and this year:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2013	\$ 2,455,778	82.98%	\$ 11,792,148
June 30, 2012	\$ 5,406,069	46.44%	\$ 11,374,210

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress – In 2013 and 2012, the Franklin Parish School Board made no contributions to its post employment benefits plan other than the payment of current benefits for its retirees. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the year June 30, 2013 was \$37,106,030 which is defined as that portion, as determined by a particular actuarial cost method (the Franklin Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>2013</u>	<u>2012</u>
Actuarial Accrued Liability (AAL)	\$ 37,106,030	\$ 54,420,206
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 37,106,030	\$ 54,420,206
 Funded Ratio (AVP/AAL)	 0.00%	 0.00%
 Covered Payroll (active plan members)	 \$ 15,739,481	 \$ 15,414,931
UAAL as a percentage of covered payroll	235.75%	353.04%

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Franklin Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Franklin Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Franklin Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFITS (continued)

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post employment Benefit Plan Eligibility Requirements – It is assumed that entitlement to benefits will commence five years after earliest eligibility to enter the D.R.O.P. (three years in the D.R.O.P. plus an additional two years) as described under the heading "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits – The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes.

Inflation Rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Post-retirement Benefit Increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. OTHER POSTEMPLOYMENT BENEFITS (continued)

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

OPEB Costs and Contributions

	FY 2011	FY 2012	FY 2013
OPEB Cost	\$ 5,232,010	\$ 5,406,069	\$ 2,455,778
Contribution (premium paid)	<u>2,324,452</u>	<u>2,510,409</u>	<u>2,037,838</u>
Total contribution	<u>2,324,452</u>	<u>2,510,409</u>	<u>2,037,838</u>
Change in net OPEB obligation	\$ <u>2,907,558</u>	\$ <u>2,895,660</u>	\$ <u>417,939</u>
% of contribution to cost	44.43%	46.44%	82.98%

8. AGENCY FUND DEPOSITS DUE OTHERS

The School Board serves as the sales tax collector for all taxing authorities within the Parish boundaries. Taxes are collected and remitted to the levying municipalities or the police jury on a monthly basis. The collection and disbursement of sales taxes is accounted for in a designated fund that is not included in the fund financial statements. A summary of changes in sales tax collections and school activities agency fund deposits due to others for the year ended June 30, 2013 follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Agency Funds:				
School Activities Accounts	\$ 334,742	\$ 777,040	\$ 786,607	\$ 325,175
Sales Tax Collections	<u>199,978</u>	<u>13,243,488</u>	<u>13,191,678</u>	<u>251,788</u>
Total	<u>\$ 534,720</u>	<u>\$ 14,020,528</u>	<u>\$ 13,978,285</u>	<u>\$ 576,963</u>

9. LONG-TERM LIABILITIES

The following is a summary of the long-term debt activity for the year ended June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>	<u>Amount Due Within 1 Year</u>
Revenue Bonds	\$ 5,497,524	\$ -	\$ 868,879	\$ 4,628,645	\$ 873,166
Certificates of Indebtedness	3,388,200	-	536,590	2,851,610	547,360
Compensated Absences	<u>799,117</u>	<u>-</u>	<u>130,146</u>	<u>668,971</u>	<u>28,331</u>
Total	<u>\$ 9,684,841</u>	<u>\$ -</u>	<u>\$ 1,535,615</u>	<u>\$ 8,149,226</u>	<u>\$ 1,448,857</u>

The compensated absences liability will be liquidated by the General Fund and School Lunch Fund. The Revenue Bonds and Certificates of Indebtedness will be liquidated primarily through the Debt Service Fund which accounts for dedicated tax revenues.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. LONG-TERM LIABILITIES (continued)

A schedule of the individual issues outstanding as of June 30, 2013 is as follows:

<u>Bond Issue</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Revenue Bonds, Series 2007: Qualified School Construction	Oct 19, 2007	\$ 7,050,000	1.25%	Oct 19, 2017	\$ 114,663	\$3,634,000
Bonds, Series 2009:	Nov 13, 2009	1,500,000	1.25%	Nov 1, 2018	45,000	994,645
Certificate of Indebtedness, Series 2007A:	Oct 19, 2007	3,933,600	1.25%	Oct 19, 2017	62,960	2,003,610
Certificate of Indebtedness, Series 2007B:	Oct 19, 2007	1,500,000	4.05%	Oct 19, 2017	<u>72,293</u>	<u>848,000</u>
					<u>\$ 294,916</u>	<u>\$7,480,255</u>

All principal and interest requirements for the certificates of indebtedness are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. The principal and interest requirements for the revenue bonds are funded by the proceeds of a one half cent sales tax levied within the parish. The School Board accumulates the tax proceeds within separate restricted accounts, all of which are reported within a debt service fund. At June 30, 2013, the School Board has accumulated \$2,851,213 in debt service funds for future debt service requirements and for required reserves.

For the purpose of construction, rehabilitation, and renovations, the School Board issued \$1,500,000 of Series 2009 bonds payable through the federally sponsored Qualified School Construction Bond Program (QSCBP) during the year ended June 30, 2010. The QSCBP bonds are subject to mandatory sinking fund payments prior to maturity, including interest accrued to the redemption date on an annual basis commencing November 1, 2010 and ending November 1, 2018. These payments are deposited into an irrevocable trust account to provide for the principle balance plus interest at the redemption date. As a result, the annual payments made in accordance with the QSCBP agreement are considered to have defeased, in-substance, the principal portion of the debt payments and therefore that principal has been removed from the bond payable liability. As of June 30, 2013, the outstanding principal balance of the QSCBP bonds was \$1,500,000 and the balance of the irrevocable trust account was \$505,355. The difference between the outstanding principle of the bonds and the balance of the irrevocable trust account is carried as a liability on the School Board's financial statements in the amount of \$994,645. All cash and investments held in the trust are strictly for the benefit of the owners of the bonds and are not reflected in the financial statements.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. **LONG-TERM LIABILITIES** (continued)

Future debt service fund requirements are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2014	\$ 1,423,026	\$ 99,256	\$ 1,522,282
2015	1,443,116	78,862	1,521,978
2016	1,463,606	57,996	1,521,602
2017	1,484,466	36,614	1,521,080
2018	1,504,726	14,688	1,519,414
2019	<u>161,315</u>	<u>7,500</u>	<u>168,815</u>
	<u>\$ 7,840,255</u>	<u>\$ 294,916</u>	<u>\$ 7,775,171</u>

In accordance with Louisiana Revised Statute 39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the net assessed value of taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2013, the net assessed value of taxable property for the parish was \$74,407,970, which would result in a \$26,042,790 long-term bonded debt limit.

10. **INTERFUND TRANSACTIONS**

Interfund receivable/payable:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Governmental funds		Governmental funds	
General	\$ 769,031	General Fund	\$ 9,628
Title I	-	Title I	526,018
Debt service	-	Debt service	-
Non-major	-	Non-major	<u>233,385</u>
Total	<u>\$ 769,031</u>	Total	<u>\$ 769,031</u>

The primary purpose of inter-fund receivable/payable is to cover expenditures on cost reimbursement programs until reimbursements are received.

Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 320,843	\$ -
Title I	-	207,611
Non-major	-	<u>113,232</u>
Totals:	<u>\$ 320,843</u>	<u>\$ 320,843</u>

The primary purpose of inter-fund transfers is to cover administrative and overhead expenditures of the general fund through indirect cost recoveries charged to grant programs.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

11. RISK MANAGEMENT

The School Board manages its exposure under general liability, fleet, and errors and omissions through the purchase of commercial insurance. Qualifying employees and retirees may participate in the state group medical and life insurance plan. Risk of loss under workers' compensation statutes is self-insured by the School Board for up to \$350,000 per occurrence, with reinsurance coverage in force for losses in excess of that amount. The self-insured plan is administered by a third party, with the claims under the self-insured amount paid by the General Fund; certain Special Revenue funds may reimburse the General Fund for payment of their claims. Consistent with the provisions of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the School Board uses the General Fund to account for its risk financing activities. Claims outstanding at June 30, 2013 of approximately \$42,000 have been recorded as liabilities in the accompanying financial statements.

12. LITIGATION AND CONTINGENCIES

At June 30, 2013, the School Board was a defendant in several lawsuits. These suits, arising from various claims are mostly covered through insurance. However, the School Board is exposed to certain uninsured claims and deductibles. Based upon the opinion of the School Board's legal counsel, the ultimate resolution of these matters, as well as other claims not covered by insurance policies, is not expected to materially impact the operations of the School Board.

In the normal course of operations, the School System receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

13. LEASE OBLIGATIONS

The School Board leased 37 busses during the fiscal year under an operating lease for a term of five years. Lease expenditures were approximately \$497,000 for the fiscal year ended June 30, 2013. Future minimum lease payments under this lease are as follows:

2014	\$ 526,800
2015	423,000
2016	355,500
2017	295,500
2018	<u>250,500</u>
	<u>\$ 1,851,300</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

14. SALES TAX COLLECTIONS AND REMITTANCES

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (b) to provide required footnote disclosure in the financial statements for local governments that collect tax for other taxing jurisdictions. Listed below are sales tax collections and distributions to other parish governmental agencies during fiscal year 2012-2013.

<u>Jurisdiction</u>	<u>Tax</u>	<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distributions</u>
Police Jury	1%	\$ 2,549,357	\$ (27,283)	\$ 2,522,074
Police Jury	1/2%	1,274,259	(13,637)	1,260,622
		<u>3,823,616</u>	<u>(40,920)</u>	<u>3,782,696</u>
Franklin Sheriff	1/2%	1,273,741	(13,631)	1,260,110
City of Winnsboro	1%	1,409,736	(15,194)	1,394,542
City of Winnsboro 2007	1/2%	704,553	(7,594)	696,959
City of Winnsboro 2009	1/2%	704,962	(7,599)	697,363
		<u>2,819,251</u>	<u>(30,387)</u>	<u>2,788,864</u>
Town of Gilbert		<u>55,763</u>	<u>(605)</u>	<u>55,158</u>
Town of Wisner		<u>111,144</u>	<u>(1,500)</u>	<u>109,644</u>
Town of Baskin		<u>17,227</u>	<u>(186)</u>	<u>17,041</u>
Revenue Recovery Audits		<u>4,675</u>		<u>4,675</u>
Held in Escrow Pending Suit		<u>39,363</u>		<u>39,363</u>
TOTALS		<u>\$ 8,144,780</u>	<u>\$ (87,229)</u>	<u>\$ 8,057,551</u>

REQUIRED SUPPLEMENTAL INFORMATION

Franklin Parish School Board

Winnsboro, Louisiana

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

MAJOR FUND DESCRIPTIONS
BUDGETARY COMPARISON SCHEDULES

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND. The General Fund accounts for all activities of the School Board except those that are accounted for in other funds.

TITLE I. The Title I fund accounts for the Title I grants. The purposes of these grants are to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. These grants function by providing compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	728,332	976,643	989,511	12,868
Sales and use	3,476,078	3,552,791	3,859,441	306,650
Earnings on investments	37,000	5,870	30,643	24,773
Other	149,982	232,975	293,380	60,405
State sources:				
Unrestricted grants-in-aid	18,583,212	18,831,092	18,866,335	35,243
Restricted grants-in-aid	129,426	127,056	143,931	16,875
Federal sources:				
Grants-in-aid - subgrants	51,981	46,423	46,424	1
Total revenues	<u>23,156,011</u>	<u>23,772,850</u>	<u>24,229,665</u>	<u>456,815</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	9,931,856	9,981,354	9,559,120	422,234
Special education programs	2,605,983	2,626,238	2,313,402	312,836
Other education programs	1,580,852	1,855,803	1,989,252	(133,449)
Support services:				
Pupil support services	1,080,067	1,116,965	1,131,948	(14,983)
Instructional staff services	1,212,286	1,189,553	1,233,411	(43,858)
General administration services	573,406	532,349	534,782	(2,433)
School administration services	1,737,202	1,730,390	1,642,008	88,382
Business administration services	471,550	477,138	504,865	(27,727)
Plant operation and maintenance	1,720,454	1,826,722	1,984,636	(157,914)
Transportation	2,365,438	2,473,775	2,591,658	(117,883)
Food services	104,488	103,488	170,455	(66,967)
Central services	57,854	65,037	53,586	11,451
Community services	7,000	7,000	-	7,000
Appropriations				
Charter Schools	-	35,245	35,245	-
Facility acquisition and construction	-	-	-	-
Total expenditures	<u>23,448,436</u>	<u>24,021,057</u>	<u>23,744,368</u>	<u>276,689</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(292,425)</u>	\$ <u>(248,207)</u>	\$ <u>485,297</u>	\$ <u>733,504</u> (continued)

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Other financing sources (uses):</u>				
Operating transfers in	292,425	248,207	320,843	72,636
 Total other financing sources (uses)	292,425	248,207	320,843	72,636
 Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	-	-	806,140	806,140
 Fund balances, June 30, 2012	2,200,929	2,452,807	3,944,113	1,491,306
 FUND BALANCES, JUNE 30, 2013	\$ 2,200,929	\$ 2,452,807	\$ 4,750,253	\$ 2,297,446 (concluded)

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

TITLE I FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

	Title I Fund			Variance
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>				
Federal sources:				
Grants-in-aid - subgrants	\$ 2,237,829	\$ 2,299,986	\$ 2,329,904	\$ 29,918
Total revenues	<u>2,237,829</u>	<u>2,299,986</u>	<u>2,329,904</u>	<u>29,918</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Other education programs	1,542,193	1,714,434	1,778,938	(64,504)
Support services:				
Instructional staff services	496,229	377,107	340,023	37,084
Transportation	-	3,500	3,332	168
Total expenditures	<u>2,038,422</u>	<u>2,095,041</u>	<u>2,122,293</u>	<u>(27,252)</u>
Excess (deficiency) of revenues over expenditures	<u>199,407</u>	<u>204,945</u>	<u>207,611</u>	<u>2,666</u>
<u>Other financing sources (uses):</u>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(199,407)</u>	<u>(204,945)</u>	<u>(207,611)</u>	<u>(2,666)</u>
Total other financing sources (uses)	<u>(199,407)</u>	<u>(204,945)</u>	<u>(207,611)</u>	<u>(2,666)</u>
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	-	-	-	-
Fund balances, June 30, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2013

BUDGETS

General Budget Practices. The School Board follows these procedures in establishing the budgetary data reflected in the financial statements.

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal Budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the Board and as amended by the Board.

Encumbrances. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting. All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

OTHER POST EMPLOYMENT BENEFITS PLAN
RETIREE HEALTH, DENTAL, AND LIFE INSURANCE PROGRAMS
YEAR ENDED JUNE 30, 2013

SCHEDULE OF FUNDING PROGRESS

Fiscal Period Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2013	7/1/2012	\$ -	\$ 37,106,030	\$ 37,106,030	0.00%	\$ 15,739,481	235.75%
6/30/2012	7/1/2010	-	54,420,206	54,420,206	0.00%	15,414,931	353.04%
6/30/2011	7/1/2010	-	54,420,206	54,420,206	0.00%	12,924,435	421.06%
6/30/2010	7/1/2008	-	52,017,030	52,017,030	0.00%	13,041,137	398.87%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
6/30/2013	\$ 2,455,778	\$ 2,037,839	82.98%	\$ 417,939	\$ 11,792,149
6/30/2012	\$ 5,406,069	\$ 2,510,409	46.44%	2,895,660	11,374,210
6/30/2011	5,232,010	2,324,452	44.43%	2,907,558	8,478,550
6/30/2010	4,900,247	2,089,262	42.64%	2,810,985	5,570,992

FRANKLIN PARISH SCHOOL BOARD

SUPPLEMENTAL INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS

Headstart The Head Start fund accounts for the Head Start federal grant. The purpose of this grant is to provide a comprehensive child development program for 3 and 4 year old children from low income families. The program serves both the child and the family.

School Lunch The school lunch fund accounts for activities of the school board's food service program.

Title II Increases student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools. The program also holds local educational agencies and schools accountable for improvements in student academic achievement.

Special Education *The Individuals with Disabilities Act (IDEA)* is a federally financed program providing free, appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.

Other Federal Programs Accounts for the proceeds of miscellaneous small or non-recurring federal grants including Vocational Education and Enhancing Education through Technology.

State Grants Used to account for special grants received from various departments of the state of Louisiana.

Capital Projects Fund This fund accounts for the unexpended proceeds of various initiatives for capital improvements, including issuance of debt.

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Headstart	School Lunch	Title II	Special Education
<u>ASSETS</u>				
Cash and cash equivalents	\$ 50	\$ 278,434	\$ -	\$ -
Receivables:				
Accounts	-	226,347	-	-
Due from other governments	74,154	-	96,326	117,120
Inventory	-	44,091	-	-
TOTAL ASSETS	\$ 74,204	\$ 548,872	\$ 96,326	\$ 117,120
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 2,574	\$ 1,028	\$ -	\$ -
Salaries and benefits payable	71,580	56,304	4,216	27,808
Due to other funds	50	82	92,110	89,312
Deferred revenues	-	11,239	-	-
TOTAL LIABILITIES	74,204	68,653	96,326	117,120
Fund balances:				
Nonspendable	-	44,091	-	-
Spendable, Restricted	-	436,128	-	-
TOTAL FUND BALANCES	-	480,219	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,204	\$ 548,872	\$ 96,326	\$ 117,120

Other Federal	State Grants	Capital Project	Total
\$ -	\$ 52,757	33,123	\$ 364,364
-	-	-	226,347
27,183	33,276	-	348,059
-	-	-	44,091
<u>\$ 27,183</u>	<u>\$ 86,033</u>	<u>\$ 33,123</u>	<u>\$ 982,861</u>

\$ -	\$ -	\$ -	\$ 3,602
2,710	5,918	-	168,536
24,473	27,358	-	233,385
-	-	-	11,239
<u>27,183</u>	<u>33,276</u>	<u>-</u>	<u>416,762</u>

-	-	-	44,091
-	52,757	33,123	522,008
-	52,757	33,123	566,099

<u>\$ 27,183</u>	<u>\$ 86,033</u>	<u>\$ 33,123</u>	<u>\$ 982,861</u>
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FRANKLIN PARISH SCHOOL BOARD**Winnsboro, Louisiana****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****NON-MAJOR GOVERNMENTAL FUNDS****FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Headstart</u>	<u>School Lunch</u>	<u>Title II</u>	<u>Special Education</u>
<u>REVENUES</u>				
Local sources:				
Earnings on investments	\$ -	\$ 671	\$ -	\$ -
Food Services	-	139,678	-	-
Other	125	12	-	-
State sources:				
Unrestricted grants-in-aid, MFP	-	30,324	-	-
Restricted grants-in-aid	-	-	-	4,200
Federal grants	<u>977,426</u>	<u>1,705,628</u>	<u>329,660</u>	<u>886,716</u>
TOTAL REVENUES	<u>977,551</u>	<u>1,876,313</u>	<u>329,660</u>	<u>890,916</u>
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular education programs	-	-	50,381	73,948
Special education programs	238	-	-	181,727
Other education programs	506,101	-	-	54,744
Support:				
Pupil support services	188,841	-	-	133,878
Instructional staff services	79,229	-	249,904	367,484
General administration services	4,768	-	-	-
Business and central services	53,073	-	-	-
Plant operation and maintenance	46,761	-	-	-
Transportation	87,656	-	-	122
Food services	<u>10,884</u>	<u>1,805,741</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>977,551</u>	<u>1,805,741</u>	<u>300,285</u>	<u>811,903</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>70,572</u>	<u>29,375</u>	<u>79,013</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(29,375)</u>	<u>(79,013)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(29,375)</u>	<u>(79,013)</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>-</u>	<u>70,572</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2012	<u>-</u>	<u>409,647</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JUNE 30, 2013	<u>\$ -</u>	<u>\$ 480,219</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Other Federal</u>	<u>State Grants</u>	<u>Capital Project</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 671
-	-	-	139,678
-	60,757	-	60,894
-	-	-	30,324
-	83,681	-	87,881
<u>146,517</u>	<u>-</u>	<u>-</u>	<u>4,045,947</u>
<u>146,517</u>	<u>144,438</u>	<u>-</u>	<u>4,365,395</u>
45,187	57,554	-	227,070
-	-	-	181,965
50,922	83,218	-	694,985
-	-	-	322,719
45,434	1,220	-	743,271
-	-	-	4,768
-	-	-	53,073
-	-	-	46,761
130	-	-	87,908
-	-	-	1,816,625
<u>141,673</u>	<u>141,992</u>	<u>-</u>	<u>4,179,145</u>
<u>4,844</u>	<u>2,446</u>	<u>-</u>	<u>186,250</u>
<u>(4,844)</u>	<u>-</u>	<u>-</u>	<u>(113,232)</u>
<u>(4,844)</u>	<u>-</u>	<u>-</u>	<u>(113,232)</u>
<u>-</u>	<u>2,446</u>	<u>-</u>	<u>73,018</u>
<u>-</u>	<u>50,311</u>	<u>33,123</u>	<u>493,081</u>
<u>\$ -</u>	<u>\$ 52,757</u>	<u>\$ 33,123</u>	<u>\$ 566,099</u>

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 2013

Mrs. Dorothy Brown	\$ 4,200
Mr. Edwin Bryan	4,800
Mr. Tim Eubanks	4,200
Mr. Ronnie Hatton	4,200
Mrs. Louise Johnson	4,200
Mr. Richard Kelly	4,200
Mr. Jesse Young	4,200
	<hr/>
	\$ 30,000
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Franklin Parish School Board
Winnsboro, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin Parish School Board (School Board) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite + Nottmille

Baton Rouge, Louisiana
December 18, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Franklin Parish School Board
Winnsboro, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Franklin Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2013. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netherville

Baton Rouge, Louisiana
December 18, 2013

Franklin Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

FEDERAL DEPARTMENT/PASS-THROUGH			
ENTITY/PROGRAM	CFDA #	Grant #	EXPENDED
<u>United States Department of Education</u>			
<i>Passed through the Louisiana Department of Education</i>			
Title I 11/12	84.010A ¹	2812T121	2,329,904
IDEA 12-13	84.027A ²	2813B121	848,693
Vocational Education - Federal	84.048A	28130221	41,438
IDEA Pre-School 12-13	84.173A ²	2813P121	38,023
REAP 12/13 HS Re-Design	84.358B	2813RE21	54,366
Title II FY 12/13	84.367A	28135021	329,660
			<u>3,642,084</u>
<u>United States Department of Health and Human Services</u>			
<i>Direct funding</i>			
Head Start	93.600	06 CH 7015	977,426
<i>Passed through the Louisiana Department of Education</i>			
Jobs for America's Graduates	93.558	2811JS21	50,713
			<u>1,028,139</u>
<u>United States Department of Agriculture</u>			
<i>Passed through the Louisiana Department of Education</i>			
National School Lunch Program	10.555 ⁴	Federal	1,291,358
National School Breakfast Program	10.553 ⁴	Federal	414,270
<i>Passed through the Louisiana Department of Agriculture and Forestry</i>			
			<u>1,705,628</u>
<u>United States Department of Defense</u>			
<i>Direct Funding</i>			
Reserve Officer Training Corps	12.xxx		46,424
Total Expenditures			<u><u>\$ 6,422,275</u></u>

¹ Title I, Part A Cluster
² Special Education Cluster
⁴ Child Nutrition Cluster
See accompanying notes to this schedule.

FRANKLIN PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Franklin Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. During the year ended June 30, 2013, the School Board received commodities valued at \$145,924. At June 30, 2013, the School Board had food commodities totaling \$29,027 in inventory.

FRANKLIN PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes _____ x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes _____ x none reported

Noncompliance material to financial statements noted?

_____ yes _____ x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes _____ x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes _____ x none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ yes _____ x no

Identification of major programs:

CFDA Numbers

84.010A
93.600

Name of Federal Program or Cluster

Title I
Head Start

The threshold for distinguishing types A & B programs was program expenditures exceeding \$300,000.

The Franklin Parish School Board was determined to be a low-risk auditee.

FRANKLIN PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs

None

FRANKLIN PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs

2012-1 Child Nutrition Cluster (CFDA#10.553-10.555) – Financial Reporting

Criteria: Annually, the School Board must submit an Income and Expense report, the purpose of which is to quantify expenses and net cash resources and determine that the net cash resources do not exceed 3 months of average expenses.

Condition: The financial information included on the form was incomplete and did not include accrued receivables of approximately \$200,000. It should be noted that if the accrual had been included, the School Board's net cash resources would still be below 3 months of average expenses.

Effect: The financial information in the form submitted was incomplete.

Cause: The form was completed with financial information prior to the inclusion of all of the year-end accrual adjustments.

Recommendation: We recommend that the form be completed with the inclusion of the year end accruals.

Management's Response: Management concurs and will implement improved controls immediately.

Current Status: The annual income and expense report for 2012-2013 was reported on the accrual basis of accounting and appropriately included all net cash resources, including accounts receivable.



**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

To the Members of the Franklin Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Franklin Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Franklin Parish School Board (School Board) and to determine whether the schedules presenting that data are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The performance and statistical data included in the attached schedules is the responsibility of the management of the School Board. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

Procedure #1:

We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

Results of Procedure # 1:

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

Education Levels of Public School Staff (Schedule 2)

Procedure # 2

We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule.

Results of Procedure # 2:

No differences were noted between the number of teachers per schedule 4 and schedule 2.

Procedure # 3

We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Results of Procedure # 3

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2.

Procedure # 4

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file to determine if the individual's education level was properly classified on the schedule.

Results of Procedure # 4:

The education levels as documented in the personnel files were properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

Procedure # 5

We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I application.

Results of Procedure # 5:

We noted no discrepancies between the total number of schools as listed in the Title I Program application and the list supporting the schools represented in the schedule.

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers (Schedule 4)

Procedure #6

We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file to determine if the individual's experience was properly classified on the schedule.

Results of Procedure # 6:

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule. No discrepancies between experience levels per the listing and the individual personnel files were noted.

Public School Staff Data (Schedule 5)

Procedure # 7

We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalency as reported on the schedule and traced a sample of 25 teachers to the individual's personnel file to determine if the individual's salary, extra compensation, and full-time equivalency were properly included on the schedule.

Results of Procedure # 7:

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

Procedure # 8

We recalculated the average salaries and full-time equivalents reported in the schedule.

Results of Procedure # 8:

We noted no differences between the averages reported on the schedule and our calculations.

Class Size Characteristics (Schedule 6)

Procedure # 9

We obtained the "Class Size Data Reports", which are reports obtained from and produced by the State Department of Education, and which serve as the source of information for completing schedule 6. We tied the "Class Size Data Reports" into schedule 6. We obtained the "LEADS Class Detail Report" from the State

Department of Education computing network and selected one class from the reports at random. We obtained the teacher roll books for each class selected. Our sample ultimately consisted of 10 classes.

Results of Procedure # 9

In our sample of 10 classes, P&N noted 8 out of 10 classes with discrepancies as follows:

<u>Class Size Per Schedule 6</u>	<u>No. of Students per Role Book</u>	<u>Variance</u>
14	16	-2
19	21	-2
22	23	-1
25	31	-6
19	20	-1
21	21	0
26	27	-1
18	18	0
20	22	-2
22	24	-2

Management's Corrective Action Procedure # 9

The School Board is continuing to work with the vendor/provider to ensure that the data is stored for the same date that the data information is requested. Management anticipates that this will be resolved by June 30, 2014.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

Procedure # 10

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Franklin Parish School Board.

Results of Procedure # 10:

No differences were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

Procedure # 11

This schedule is no longer applicable.

Results of Procedure #11

This schedule is no longer applicable.

The iLEAP Tests (Schedule 9)

Procedure # 12

We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the Franklin Parish School Board.

Results of Procedure # 12

No differences were noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Franklin Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netherwill

Baton Rouge, Louisiana
December 18, 2013

FRANKLIN PARISH SCHOOL BOARD
WINNSBORO, LOUISIANA

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)

As of and for the Year Ended June 30, 2013

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - The Graduation Exit Exam

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes one year of data. The test was not given during the 2013 school year.

Schedule 9 - The i-LEAP Tests

The i-LEAP has replaced the IOWA test for student performance testing data and includes summary scores by district for grades 3,5,6,7, and 9 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

FRANKLIN PARISH SCHOOL BOARD

OTHER INFORMATION

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

**General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 For the Year Ended June 30, 2013**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$8,009,509	
Other Instructional Staff Activities	\$769,974	
Employee Benefits	\$4,631,530	
Purchased Professional and Technical Services	\$154,664	
Instructional Materials and Supplies	\$312,431	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$13,878,108

Other Instructional Activities \$50,415

Pupil Support Activities	\$1,130,724	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		\$1,130,724

Instructional Staff Services	\$1,233,411	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		\$1,233,411

School Administration	\$1,642,008	
Less: Equipment for School Administration	-	
Net School Administration		\$1,642,008

Total General Fund Instructional Expenditures \$17,934,668

Total General Fund Equipment Expenditures -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$378,929
Renewable Ad Valorem Tax	\$493,258
Debt Service Ad Valorem Tax	-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	\$73,456
Result of Court Ordered Settlement	\$110,723
Sales and Use Taxes	\$3,859,441
Total Local Taxation Revenue	<u>\$4,915,807</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$7,280
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	<u>\$7,280</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	-
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>-</u>

Nonpublic Textbook Revenue \$14,507

Nonpublic Transportation Revenue -

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

Education Levels of Public School Staff
As of October 1, 2012

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0
Bachelor's Degree	127	66%	10	83%	0	0%	0	0
Master's Degree	35	18%	2	17%	4	28%	0	0
Master's Degree + 30	31	16%	0	0%	10	72%	0	0
Specialist in Education	0	0%	0	0%	0	0%	0	0
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0
Total	193	100%	12	100%	14	100%	0	0

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana**Number and Type of Public Schools**
For the Year Ended June 30, 2013

Type	Number
Elementary	5
Middle/Jr. High	0
Secondary	1
Combination	1
Total	7

Note: Schools opened or closed during the fiscal year are included in this schedule.

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers
As of October 1, 2012

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	1	1	1	4	7
Principals	0	0	0	0	0	2	5	7
Classroom Teachers	23	23	44	22	27	28	39	205
Total	23	23	44	23	28	31	48	219

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

Public School Staff Data
For the Year Ended June 30, 2013

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$43,779.00	\$43,351.00
Average Classroom Teachers' Salary Excluding Extra Compensation	\$42,649.00	\$42,263.00
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	205.55	192.60

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

Class Size Characteristics
As of October 1, 2012

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	60%	471	36%	281	4%	29	0%	1
Elementary Activity Classes	45%	33	36%	26	12%	9	7%	6
Middle/Jr. High	0%	0	0%	0	0%	0	0%	0
Middle/Jr. High Activity Classes	0%	0	0%	0	0%	0	0%	0
High	63%	193	31%	96	5%	15	1%	4
High Activity Classes	76%	29	16%	6	5%	2	3%	1
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

Note: 1 student listed with LA Technical College-Northeast LA Campus under regular class added to High School Regular class.

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	7	3%	5	2%	17	7%	17	7%	5	2%	20	8%
Mastery	33	14%	49	20%	40	15%	43	19%	41	17%	57	22%
Basic	96	42%	127	51%	123	47%	71	31%	128	54%	106	41%
Approaching Basic	58	25%	54	22%	62	24%	42	18%	54	22%	44	17%
Unsatisfactory	35	15%	13	5%	19	7%	58	25%	11	5%	34	13%
Total	229	100%	248	100%	261	100%	231	100%	239	100%	261	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	6	3%	13	5%	4	2%	3	1%	1	0%	12	5%
Mastery	25	11%	38	15%	38	14%	29	13%	31	12%	38	15%
Basic	94	41%	99	40%	118	46%	102	44%	121	48%	97	37%
Approaching Basic	67	29%	77	31%	76	29%	52	23%	66	26%	60	23%
Unsatisfactory	38	17%	23	9%	25	10%	44	19%	31	12%	52	20%
Total	230	100%	250	100%	259	100%	230	100%	250	100%	259	100%

Schedule 7

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana
Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	4	2%	6	3%	7	4%	5	3%	4	2%	1	1%
Mastery	19	10%	27	12%	31	16%	5	3%	9	4%	6	3%
Basic	84	44%	91	42%	62	33%	109	57%	103	47%	87	46%
Approaching Basic	66	35%	69	32%	60	32%	47	25%	63	29%	42	22%
Unsatisfactory	18	9%	24	11%	29	15%	25	13%	38	18%	53	28%
Total	191	100%	217	100%	189	100%	191	100%	217	100%	189	100%

District Achievement Level Results	Science						Social Studies					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	2%	6	3%	0	0%	0	0%	3	1%	1	1%
Mastery	18	9%	27	12%	27	14%	18	9%	20	9%	23	12%
Basic	79	41%	70	32%	56	30%	84	44%	93	42%	64	34%
Approaching Basic	67	35%	76	35%	51	27%	50	26%	63	29%	56	30%
Unsatisfactory	24	13%	41	19%	55	29%	38	20%	40	18%	45	24%
Total	191	100%	220	100%	189	100%	190	100%	219	100%	189	100%

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

The Graduation Exit Exam (GEE)
For the Year Ended June 30, 2013

District Achievement Level Results	English Language Arts						Mathematics					
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced					0	0%					5	3%
Mastery					5	3%					18	11%
Basic					74	43%					58	35%
Approaching Basic					52	30%					40	24%
Unsatisfactory					42	24%					45	27%
Total					173	100%					166	100%

District Achievement Level Results	to 8A		From PY				to 8A		From PY			
			Science						Social Studies			
	2013		2012		2011		2013		2012		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced			2	1%	3	2%			0	0%	1	1%
Mastery			19	13%	18	13%			4	3%	4	3%
Basic			54	36%	52	37%			63	42%	56	39%
Approaching Basic			41	27%	34	24%			41	27%	41	29%
Unsatisfactory			34	23%	35	25%			42	28%	40	28%
Total			150	100%	142	100%			150	100%	142	100%

FRANKLIN PARISH SCHOOL BOARD
Winnsboro, Louisiana

Schedule 9

The ILEAP
For the Year Ended June 30, 2013

ILEAP Scores

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	13	5%	18	8%	17	7%	12	5%
Mastery	43	18%	37	15%	39	16%	37	15%
Basic	108	44%	114	48%	109	45%	106	44%
Approaching Basic	44	18%	52	22%	50	21%	48	19%
Unsatisfactory	34	14%	19	8%	25	10%	40	17%
Total	240	100%	240	100%	240	100%	240	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	5	2%	5	2%	5	2%	6	3%
Mastery	24	11%	15	7%	25	11%	19	9%
Basic	105	48%	107	49%	98	44%	93	42%
Approaching Basic	58	27%	58	27%	71	33%	62	28%
Unsatisfactory	26	12%	32	15%	21	10%	39	18%
Total	218	100%	217	100%	218	100%	219	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	9	4%	16	7%	2	1%	17	7%
Mastery	27	12%	17	7%	35	15%	20	9%
Basic	105	46%	102	45%	81	36%	114	50%
Approaching Basic	57	25%	48	21%	85	37%	44	19%
Unsatisfactory	29	13%	44	19%	24	11%	32	14%
Total	227	100%	227	100%	227	100%	227	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	10	5%	3	1%	11	5%	6	3%
Mastery	19	9%	14	7%	21	10%	19	9%
Basic	101	48%	112	53%	80	38%	93	44%
Approaching Basic	52	25%	49	23%	65	31%	64	30%
Unsatisfactory	27	13%	33	16%	34	16%	29	14%
Total	209	100%	211	100%	211	100%	211	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2013		2013	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				